



GT CAPITAL
HOLDINGS, INCORPORATED

November 12, 2021

Securities and Exchange Commission

Ground Floor Secretariat Building
PICC Complex, Roxas Boulevard
Pasay City, 1307

Attention: **Atty. Rachel Esther J. Gumtang-Remalante**
Director - Corporate Governance and Finance Department

Philippine Stock Exchange, Inc.

6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

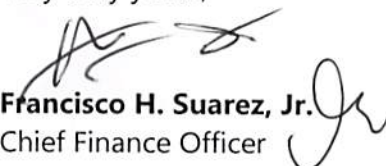
Attention: **Ms. Janet A. Encarnacion**
Head - Disclosure Department

Subject: Submission of 17Q Report as of September 30, 2021

Gentlemen /Mesdames:

In line with the reportorial requirements of the Securities Regulation Code and the Revised Disclosure Rules, we hereby submit the attached 2021 Third Quarter Report on SEC Form 17-Q.

Very truly yours,


Francisco H. Suarez, Jr.
Chief Finance Officer

COVER SHEET

C S 2 0 0 7 1 1 7 9

S.E.C. Registration Num

G T C A P I T A L H O L D I N G S , I N C . A N D

S U B S I D I A R I E S

(Company's Full Name)

G T T O W E R I N T E R N A T I O N A L , A Y A L A

A V E N U E C O R N E R H . V . D E L A C O S T A

S T R E E T , M A K A T I C I T Y

(Business Address: No. Street/City/Province)

FH Suarez, Jr. / RP Manon-og

Contact Person

8836-4500

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

1 7 - Q

FORM/TYPE

2nd Wednesday in
May of each year

Month Day

Annual Meeting

N A

Secondary License Type, If Applicable

SEC General Accountant &

M S R D

Dept. Requiring this Doc.

N A

Amended Articles Number/Section

As of September 30, 2021

91

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned.

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **September 30, 2021**
2. Commission identification number: **CS200711792**
3. BIR Tax Identification No.: **006-806-867**
4. Exact name of issuer as specified in its charter: **GT CAPITAL HOLDINGS, INC.**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office: **43/F GT Tower International, Ayala Avenue corner H.V. de la Costa Street, Makati City
Postal Code: 1227**
8. Issuer's telephone number, including area code: **632 8836-4500; Fax No: 632 8836-4159**
9. Former name, former address and former fiscal year, if changed since last report: **Not applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA
 - a) Shares of Stock

Title of Each Class	Number of Shares of Outstanding Common Stock
Common Stock -Php10.00 par value	215,284,587 shares
Series A Perpetual Preferred Shares (GTPPA)	4,839,240 shares
Series B Perpetual Preferred Shares (GTPPB)	7,160,760 shares

- b) Debt Securities: Php10.1 Billion Bonds*

Title of Each Class	Amount of Debt Outstanding
Corporate Retail Bonds	Php10.1 billion

**amount represents only the debt of GT Capital Holdings, Inc. registered with Philippine SEC*

11. Are any or all of the securities listed on a Stock Exchange? Yes [**X**] No []

Type of Shares	Stock Exchange
Common Shares	Philippine Stock Exchange
GTPPA	Philippine Stock Exchange
GTPPB	Philippine Stock Exchange
Corporate Retail Bonds	Philippine Dealing and Exchange Corporation

The Corporation's Voting Preferred Shares are not listed in any stock exchange.

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports). Yes [**X**] No []

(b) has been subject to such filing requirements for the past ninety (90) days. Yes [**X**] No []

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please see attached Interim Condensed Consolidated Financial Statements and General Notes to Interim Condensed Consolidated Financial Statements (Refer to Annex A) and Financial Soundness Indicators (Refer to Annex B).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Consolidated Results of Operations- For the Nine Months Ended September 30, 2021 and For the Nine Months Ended September 30, 2020

GT CAPITAL CONSOLIDATED STATEMENTS OF INCOME	UNAUDITED Nine Months Ended September		Increase (Decrease)	
	2021	2020	Amount	Percent
(In millions, except for Percentage)				
REVENUE				
Automotive operations	107,973	72,837	35,136	48%
Equity in net income of associates and joint ventures	8,638	5,333	3,305	62%
Real estate sales and interest income on real estate sales	5,366	4,328	1,038	24%
Rent income	960	1,080	(120)	(11%)
Sale of goods and services	397	337	60	18%
Commission income	222	89	133	149%
Interest income	114	155	(41)	(26%)
Other income	1,830	1,441	389	27%
	125,500	85,600	39,900	47%
COST AND EXPENSES				
Cost of goods and services sold	72,730	49,270	23,460	48%
Cost of goods manufactured	23,100	14,625	8,475	58%
General and administrative expenses	9,495	8,831	664	8%
Interest expense	4,598	4,866	(268)	(6%)
Cost of real estate sales	2,645	2,187	458	21%
Cost of rental	484	396	88	22%
	113,052	80,175	32,877	41%
INCOME BEFORE INCOME TAXES	12,448	5,425	7,023	129%
PROVISION FOR INCOME TAX	1,499	1,112	387	35%
NET INCOME	10,949	4,313	6,636	154%
ATTRIBUTABLE TO:				
Equity holders of the parent company	8,667	3,231	5,436	168%
Non-controlling interests	2,282	1,082	1,200	111%
	10,949	4,313	6,636	154%

Net income attributable to equity holders of the Parent Company grew by Php5.44 billion from Php3.23 billion for the nine months ended September 30, 2020 to Php8.67 billion in the same period of 2021. Core net income for the nine months ended September 30, 2021 amounted to Php8.07 billion, after deducting the Php0.76 billion non-recurring gains earned by the Group mainly coming from the sale of investments by Metro Pacific Investments Corporation ("MPIC"), and adding back the Php0.16 billion amortization of fair value adjustments arising from various business combinations. Core net income for nine months of 2020 amounted to Php3.74 billion, after adding back the Php0.51 billion non-recurring expenses incurred by Metro Pacific

Investments Corporation (MPIC) and amortization of fair value adjustments arising from various business combinations.

The financial statements of Federal Land Inc. ("Federal Land"), Toyota Motor Philippines Corporation ("TMP"), Toyota Manila Bay Corporation ("TMBC") and GT Capital Auto Dealership Holdings, Inc. ("GTCAD") are consolidated in the financial statements of the Group. The investments in other component companies Metropolitan Bank and Trust Company ("Metrobank"), Philippine AXA Life Insurance Corporation ("AXA Philippines"), Toyota Financial Services Philippines Corporation ("TFSPC"), MPIC and Sumisho Motor Finance Corporation ("SMFC") are reported through equity accounting.

GT Capital Holdings, Inc. ("GT Capital" or the "Parent Company" or the "Company") consolidated net income attributable to equity holders of the Parent Company increased by Php5.44 billion from Php3.23 billion for nine months ended September 30, 2020 to Php8.67 billion for the nine months ended September 30, 2021. The increase was principally due to the 47% growth in consolidated revenues with significant increases reported in auto sales (+48%), equity in net income of associates and joint ventures (+62%), and real estate sales and interest income on real estate sales (+24%).

Of the nine (9) component companies, Federal Land, TMP, TMBC, GTCAD, Metrobank, MPIC, and TFSPC posted growth in net income for the period in review, while AXA Philippines and SMFC reported net income declines.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts grew by 48% from Php72.84 billion in the first nine months of 2020 to Php107.97 billion in the same period of 2021 due to a 57% increase in wholesale volume from 58,984 units to 92,717 units.

Equity in net income of associates and joint ventures increased by 62% from Php5.33 billion in the first nine months of 2020 to Php8.64 billion in the same period of 2021 primarily due to significant increases in the net income of the following associates:

- (1) Metrobank by 46% from Php11.05 billion to Php16.12 billion due to a 72% decrease in provisions for credit and impairment losses as the Bank's portfolio health improved; and
- (2) MPIC by 147% from Php5.01 billion to Php12.38 billion for the nine months ended September 30, 2021 arising from the gain recognized from the sale of Global Business Power and Don Muang Tollways in the first quarter of 2021.

Real estate sales and interest income from real estate sales grew by 24% from Php4.33 billion to Php5.37 billion due to intensified construction activities across all ongoing projects of Federal Land.

Rent income declined by 11% from Php1.08 billion to Php0.96 billion primarily due to rent concessions provided to various tenants.

Sale of goods and services increased by 18% or Php60.41 million due to higher fuel sales and sales of food franchises arising from the easing of quarantine restrictions.

Commission income increased by Php0.13 billion from Php0.09 billion in the first nine months of 2020 to Php0.22 billion in the same period of 2021 due to an increase in booked sales of Federal Land arising also from the easing of quarantine restrictions.

Interest income declined by 26% from Php0.16 billion in the first nine months of 2020 to Php0.11 billion in the same period of 2021 due to lower time deposit placements and lower placement rates in 2021.

Other income grew by 27% or Php0.39 billion due to the increase in ancillary income of the auto segment relative to the higher auto sales.

Consolidated costs and expenses increased by 41% from Php80.18 billion in the first nine months of 2020 to Php113.05 billion in the same period of 2021. TMP contributed Php88.95 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. TMBC contributed Php10.66 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. Federal Land contributed Php6.55 billion consisting of cost of real estate sales, cost of goods and services sold, general and administrative expenses, cost of rental and interest expenses. GT Capital Parent Company contributed Php3.70 billion consisting of interest expenses and general and administrative expenses. GTCAD accounted for the balance of Php3.19 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses.

Cost of goods and services sold grew by 48% from Php49.27 billion to Php72.73 billion relative to the increase in automotive sales.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP increased by Php8.48 billion from Php14.63 billion to Php23.10 billion due to an increase in sales volume of assembled vehicles.

General and administrative expenses increased by 8% or Php0.66 billion mainly due to the increase in advertising and promotional expenses of the auto segment.

Interest expense decreased by 6% from Php4.87 billion to Php4.60 billion due to settlement of short-term loans payable and lower lending rates.

Cost of real estate sales grew by 21% from Php2.19 billion to Php2.65 billion relative to the increase in real estate sales of Federal Land.

Cost of rental increased by 22% from Php0.40 billion to Php0.48 billion due to an increase in operating expenses incurred in the leasing business including taxes and licenses, depreciation, maintenance and other overhead expenses.

Provision for income tax grew by Php0.39 billion from Php1.11 billion in the first nine months of 2020 to Php1.50 billion in the same period of 2021 due to the higher taxable income in the first nine months of 2021.

Net income attributable to non-controlling interest increased by Php1.20 billion from Php1.08 billion to Php2.28 billion due to an increase in net income of subsidiaries which are not wholly-owned.

Consolidated Results of Operations- For the Quarter Ended September 30, 2021 and For the Quarter Ended September 30, 2020

GT CAPITAL CONSOLIDATED STATEMENTS OF INCOME (In millions, except for Percentage)	UNAUDITED		Increase (Decrease)	
	July to September		Amount	Percent
	2021	2020		
REVENUE				
Automotive operations	34,859	29,506	5,353	18%
Equity in net income of associates and joint ventures	2,324	1,088	1,236	114%
Real estate sales and interest income on real estate sales	1,813	1,362	451	33%
Rent income	273	371	(98)	(26%)
Sale of goods and services	151	104	47	45%
Commission income	111	15	96	640%
Interest income	35	33	2	6%
Other income	276	500	(224)	(45%)
	39,842	32,979	6,863	21%
COST AND EXPENSES				
Cost of goods and services sold	23,773	19,207	4,566	24%
Cost of goods manufactured	7,268	6,645	623	9%
General and administrative expenses	3,273	3,033	240	8%
Interest expense	1,598	1,629	(31)	(2%)
Cost of real estate sales	832	643	189	29%
Cost of rental	177	143	34	24%
	36,921	31,300	5,621	18%
INCOME BEFORE INCOME TAXES	2,921	1,679	1,242	74%
PROVISION FOR INCOME TAX	340	594	(254)	(43%)
NET INCOME	2,581	1,085	1,496	138%
ATTRIBUTABLE TO:				
Equity holders of the parent company	1,993	490	1,503	307%
Non-controlling interests	588	595	(7)	(1%)
	2,581	1,085	1,496	138%

Consolidated net income attributable to equity holders of the Parent Company grew by Php1.50 billion from Php0.49 billion in the third quarter of 2020 to Php1.99 billion in the third quarter of 2021. The increase was principally due to the higher revenue generated during the third quarter 2021 vis-à-vis the same period in 2020 as a result of the easing of quarantine restrictions.

Core net income attributable to equity holders of the Parent Company increased by Php1.69 billion from Php0.57 billion for the third quarter of 2020 to Php2.27 billion in the same period of 2021. Core net income for the third quarter of 2021 amounted to Php2.27 billion, after adding back the Php0.28 billion non-recurring expenses incurred by MPIC and amortization of fair value adjustments arising from various business combinations. Core net income for the third quarter of 2020 amounted to Php0.57 billion, after adding back the Php0.08 billion non-recurring expenses incurred by MPIC and amortization of fair value adjustments arising from various business combinations.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts increased by Php5.35 billion from Php29.51 billion in the third quarter of 2020 to Php34.86 billion in the third quarter of 2021 due to an increase in wholesale and retail sales volume during the quarter.

Equity in net income of associates and joint ventures grew by Php1.24 billion from Php1.09 billion in the third quarter of 2020 to Php2.32 billion in the third quarter of 2021 primarily due to increases in the:

- 1) net income of Metrobank from Php1.92 billion to Php4.44 billion primarily due to the significant decrease in provisions for credit and impairment losses; and
- 2) net income of MPIC from Php1.98 billion to Php1.99 billion due to an increase in the share of operating income and increase in direct holdings from 15.63% as of September 30, 2020 to 16.30% as of September 30, 2021.

Real estate sales and interest income on real estate sales increased by Php0.45 billion from Php1.36 billion in the third quarter of 2020 to Php1.81 billion in the third quarter of 2021 due to strong incremental construction growth.

Rent income declined by 26% from Php0.37 billion to Php0.27 billion primarily due to rent concessions granted.

Sale of goods and services, consisting of the sale of petroleum products, on a wholesale and retail basis, in the Blue Wave and Blue Bay Walk malls situated in Pasay City and Marikina City, grew from Php0.10 billion to Php0.15 billion arising from higher fuel sales and sales of food franchises due to the easing of quarantine restrictions.

Commission income increased by Php0.10 billion from Php0.01 billion in the third quarter of 2020 to Php0.11 billion in the third quarter of 2021 due to percentage of completion growth of joint venture projects.

Interest income on deposits and investments grew by 6% or Php2.00 million due to higher level of money market placements.

Other income decreased by Php223.62 million from Php499.62 million to Php276.00 million with: (1) Federal Land contributing Php184.70 million comprising real estate forfeitures, management fees and other income; (2) TMBC contributing Php67.00 million consisting of ancillary income on finance and insurance commissions and other income; (3) GT Capital contributing Php19.13 million mainly from gain on FVTPL investments; (4) TMP contributing Php3.70 million consisting of ancillary income, gain on sale of fixed assets and other income; and (5) GTCAD contributing Php1.30 million consisting of ancillary income.

Cost of goods and services sold increased by Php4.57 billion from Php19.21 billion to Php23.77 billion with TMP, TMBC and GTCAD completely built-up units and spare parts accounting for Php23.65 billion and the balance coming from Federal Land's petroleum service station business.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP increased by Php0.62 billion from Php6.65 billion in the third quarter of 2020 to Php7.27 billion in the third quarter of 2021.

General and administrative expenses rose to Php3.27 billion from Php3.03 billion. TMP accounted for Php2.04 billion consisting of advertisements and promotional expenses, salaries and wages, taxes and licenses and delivery and handling expenses. Federal Land accounted for Php0.66 billion composed of salaries and wages, commission expenses, taxes and licenses and repairs and maintenance expenses. TMBC contributed Php0.34 billion representing salaries and wages, commission expenses and taxes and licenses and advertising and promotional expenses. GT Capital and GTCAD contributed to the remaining balance of Php0.23 billion.

Cost of real estate sales grew by Php0.19 billion from Php0.64 billion to Php0.83 billion relative to the increase in real estate sales and increased construction activities across all ongoing projects of Federal Land.

Cost of rental increased by 24% from Php0.14 billion to Php0.18 billion due to an increase in the expenses relating to leased premises.

Income tax expense for the third quarter of 2021 amounted to Php0.34 billion from Php0.59 billion in the third quarter on 2020 due to the lower tax rate applied in 2021.

Consolidated Statements of Financial Position- As of September 30, 2021 and As of December 31, 2020

GT CAPITAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	Unaudited	Audited	Increase (Decrease)	
	September 2021	December 2020	Amount	Percent
(In Million Pesos, Except for Percentage)				
ASSETS				
Current Assets				
Cash and cash equivalents	14,224	17,114	(2,890)	(17%)
Financial assets at fair value through profit or loss	9,499	3,709	5,790	156%
Receivables	12,997	18,833	(5,836)	(31%)
Contract assets	5,867	6,183	(316)	(5%)
Inventories	75,281	74,735	546	1%
Due from related parties	610	202	408	202%
Prepayments and other current assets	13,707	12,380	1,327	11%
Total Current Assets	132,185	133,156	(971)	(1%)
Noncurrent Assets				
Financial assets at fair value through other comprehensive income	15,832	12,740	3,092	24%
Receivables- net of current portion	7,900	7,048	852	12%
Contract assets - net of current portion	6,664	6,852	(188)	(3%)
Investment properties	16,123	16,253	(130)	(1%)
Investments in associates and joint ventures	184,501	184,757	(256)	(0%)
Property and equipment	15,110	11,612	3,498	30%
Goodwill and intangible assets	9,940	9,965	(25)	(0%)
Deferred tax assets	1,308	1,402	(94)	(7%)
Other noncurrent assets	2,004	1,195	809	68%
Total Noncurrent Assets	259,382	251,824	7,558	3%
	391,567	384,980	6,587	2%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	31,041	29,998	1,043	3%
Contract liabilities	3,773	4,006	(233)	(6%)
Short-term debt	13,080	28,007	(14,927)	(53%)
Current portion of long-term debt	5,037	5,012	25	0%
Current portion of liabilities on purchased properties	615	598	17	3%
Current portion of bonds payable	-	4,995	(4,995)	(100%)
Customers' deposits	804	506	298	59%
Dividends payable	1,493	589	904	153%
Due to related parties	205	515	(310)	(60%)
Income tax payable	164	472	(308)	(65%)
Other current liabilities	776	843	(67)	(8%)
Total Current Liabilities	56,988	75,541	(18,553)	(25%)
Noncurrent Liabilities				
Long-term debt - net of current portion	111,167	95,429	15,738	16%
Bonds payable	10,074	10,065	9	0%
Liabilities on purchased properties - net of current portion	2,086	2,657	(571)	(21%)
Pension liabilities	2,162	1,934	228	12%
Deferred tax liabilities	3,129	3,225	(96)	(3%)
Other noncurrent liabilities	3,927	3,944	(17)	(0%)
Total Noncurrent Liabilities	132,545	117,254	15,291	13%
	189,533	192,795	(3,262)	(2%)

(forward)

**GT CAPITAL CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

	Unaudited	Audited	Increase (Decrease)	
	September	December		
(In Million Pesos, Except for Percentage)	2021	2020	Amount	Percent
EQUITY				
Equity attributable to equity holders of the Parent Company				
Capital stock	3,370	3,370	–	0%
Additional paid-in capital	98,827	98,827	–	0%
Retained earnings				
Unappropriated	87,254	79,234	8,020	10%
Appropriated	400	400	–	0%
Other comprehensive income (loss)	88	(853)	941	110%
Other equity adjustments	2,322	2,322	–	0%
	192,261	183,300	8,961	5%
Non-controlling interest	9,773	8,885	888	10%
Total Equity	202,034	192,185	9,849	5%
	391,567	384,980	6,587	2%

The major changes in GT Capital's consolidated balance sheet from December 31, 2020 to September 30, 2021 are as follows:

Consolidated assets grew by 2% or Php6.59 billion from Php384.98 billion as of December 31, 2020 to Php391.57 billion as of September 30, 2021. Total liabilities decreased by 2% or Php3.26 billion from Php192.80 billion to Php189.53 billion while total equity increased by Php9.85 billion from Php192.19 billion to Php202.03 billion.

Cash and cash equivalents decreased by Php2.89 billion from Php17.11 billion to Php14.22 billion with TMP, GT Capital, Federal Land, TMBC, and GTCAD accounting for Php10.29 billion, Php1.67 billion, Php1.40 billion, Php0.58 billion, and Php0.28 billion, respectively.

Financial assets at fair value through profit or loss increased by Php5.79 billion from Php3.71 billion to Php9.50 billion due to additional investments in unit investment trust placement by the Parent Company.

Receivables – current dropped by 31% from Php18.83 billion to Php13.00 billion due to the collections during the period.

Contract assets decreased by Php0.32 billion due to Federal Land's contract assets. Contract assets represent the excess of the progress of work (POC) over the right to an amount collectible from unit buyers. The decline is attributable to the subsequent billing or collection of the contract assets reported as of December 31, 2020.

Due from related parties increased by Php0.41 billion due to higher management fee billings of Federal Land to its related parties.

Prepayments and other current assets increased from Php12.38 billion to Php13.71 billion comprising of input VAT, advances to contractors and suppliers, creditable withholding taxes, ad valorem taxes, prepaid expenses and other current assets from Federal Land, (Php6.80 billion); TMP, (Php4.01 billion); GT Capital, (Php2.62 billion); TMBC, (Php0.18 billion); and GTCAD, (Php0.10 billion).

Financial assets at fair value through other comprehensive income increased by Php3.09 billion from Php12.74 billion to Php15.83 billion due to marked-to-market gains on investments.

Noncurrent portion of receivables grew by 12% or Php0.85 billion due to an increase in the long-term receivables of Federal Land.

Property and equipment increased by 30% from Php11.61 billion to Php15.11 billion due to land acquisition and improvements of TMP.

Deferred tax assets declined by 7% from Php1.40 billion to Php1.31 billion to the decline in TMP's deferred tax assets arising from re-measurement of the tax assets from 30% to 25% arising from the implementation of the CREATE law.

Other noncurrent assets increased by Php0.81 billion from Php1.20 billion to Php2.00 billion due to higher deposits in rental, utilities, guarantee, and construction bonds.

Contract liabilities dropped by 6% or Php0.23 billion coming from the increase in percentage of project completion by Federal Land.

Short-term debt decreased by Php14.93 billion from Php28.01 billion to Php13.08 billion due to Php34.26 billion loan payments made during the period, offset by Php19.33 billion new loan availments.

Current portion of bonds payable amounting to Php5.00 billion with maturity date of August 7, 2021 were paid in full.

Customers' deposit increased by 59% from Php0.51 billion to Php0.80 billion with TMBC, TMP, and GTCAD accounting for Php0.44 billion, Php0.32 billion, Php0.04 billion, respectively.

Dividends payable grew by Php0.90 billion from Php0.59 billion to Php1.49 billion due to dividends payable to minority shareholders, offset by the payment of dividends to Perpetual Preferred Shares (Series "A" and "B") dividends in January, April, and July 2021.

Due to related parties decreased by Php0.31 billion from Php0.52 billion to Php0.21 billion mainly due from Federal Land's related parties.

Income tax payable declined by 65% from Php0.47 billion to Php0.16 billion due to the remittance of the income tax computed for the 4th quarter of 2020 in April 2021.

Other current liabilities dropped by 8% from Php0.84 billion to Php0.78 billion with TMP, Federal Land, and TMBC accounting for Php0.45 billion, Php0.24 billion, Php0.04 billion, respectively. GT Capital and GTCAD contributed to the remaining balance of Php0.05 billion.

Non-current portion of long-term debt grew by 16% or Php15.74 billion due to the Php19.23 billion new loan bookings, net of Php0.08 billion deferred financing costs, offset by Php3.17 billion partial loan payments, Php0.18 billion foreign exchange gain on the Parent's foreign currency denominated debt and Php0.14 billion reclassification of long term debt to current portion.

Non-current portion of liabilities on purchased properties decreased by Php0.57 billion due to the reclassification to current portion and amortization of deferred financing cost.

Pension liabilities increased by 12% from Php1.93 billion to Php2.16 billion due to the accrual of retirement expenses for the period.

Unappropriated retained earnings increased by 10% from Php79.23 billion to Php87.25 billion arising from the Php8.67 billion consolidated net income earned attributable to the Parent Company in the first nine months of 2021, net of Php0.65 billion cash dividends paid.

Other comprehensive income amounted to Php87.74 million versus other comprehensive loss of Php853.48 million as of December 31, 2020 due to the marked-to-market gains on financial assets at Fair Value Other Comprehensive Income of the Group.

Non-controlling interest (NCI) increased by 10% from Php8.89 billion to Php9.77 billion mainly due to higher net income of subsidiaries which are not wholly-owned.

Key Performance Indicators (In Million Pesos, except %)

Income Statement	September 30, 2020	September 30, 2021
Total Revenues	85,600	125,500
Net Income attributable to GT Capital Holdings	3,231	8,667
Balance Sheet	December 31, 2020	September 30, 2021
Total Assets	384,980	391,567
Total Liabilities	192,795	189,533
Equity attributable to GT Capital Holdings	183,300	192,261
Return on Equity	4.06%*	5.72%*

* Core net income attributable to GT Capital's common stockholders divided by the average equity; where average equity is the sum of equity attributable to GT Capital's common stockholders at the beginning and end of the period/year divided by 2. December 31, 2020 is full year while September 30, 2021 is annualized.

Automobile Assembly and Importation, Dealership and Financing

Toyota Motor Philippines (TMP)

	In Million Pesos, except for ratios			
	9M 2020	9M 2021	Inc (Dec)	%
Sales	63,251.3	94,346.2	31,094.9	49.2
Gross Profit	8,346.8	11,097.8	2,751.0	33.0
Operating Profit	2,696.6	5,478.5	2,781.9	103.2
Net income attributable to Parent	2,088.0	4,432.3	2,344.3	112.3
	FY 2020	9M 2021	Inc (Dec)	%
Total Assets	45,058.5	44,769.9	(288.6)	(0.6)
Total Liabilities	35,558.4	34,111.1	(1,447.3)	(4.1)
Total Equity	9,500.2	10,658.8	1,158.6	12.2
Total Liabilities to Equity ratio*	3.7x	3.2x		

*Total Liabilities to Equity ratio is a measure of the company's financial leverage which is calculated by dividing total liabilities by total equity

TMP's consolidated sales increased from Php63.3 billion in the first nine months of 2020 to Php94.3 billion in the same period of 2021 as wholesale volume increased by 57.2% from 58,984 to 92,717 units. TMP's retail sales volume increased by 46.1% -- from 63,182 units to 92,318 units. Retail sales volume outperformed industry which increased by 25.0% from 161,212 units to 201,489 units. As a result, TMP market share improved from 39.2% last year to 45.8% in 2021.

TMP sales volume recovered as operations normalized in 2021. In 2020, TMP was affected by the Taal Volcano eruption in January and community quarantine restrictions which started in mid-March. Moreover, the demand for Passenger Cars was sustained from last year as public transportation remained limited in some areas.

Gross profit margin declined from 13.2% to 11.8% in 2021 due to unfavorable model mix. Operating profit margin, however, increased from 4.3% to 5.8% due to the sales volume improvement and implementation of cost cutting initiatives. Consolidated net income attributable to equity holders saw a 112.3% increase from Php2.1 billion to Php4.4 billion due to higher sales volume, and improved operating margins.

As of September, 2021, TMP directly owns six (6) dealer outlets namely Toyota Makati with one (1) branch Toyota Bicutan, Toyota San Fernando in Pampanga with two (2) branches in Plaridel Bulacan and Toyota Tarlac in Tarlac City, Lexus Manila, situated in Bonifacio Global City, Taguig City.

Toyota Manila Bay Corporation (TMBC)

	In Million Pesos, except for ratios			
	9M 2020	9M 2021	Inc (Dec)	%
Net Sales	8,787.1	10,710.8	1,923.7	21.9
Gross Profit	761.0	1,000.4	239.4	31.5
Net Income*	(32.9)	89.9	122.8	373.4
	FY2020	9M2021	Inc (Dec)	%
Total Assets	6,519.1	5,873.0	(646.1)	(9.9)
Total Liabilities	4,030.4	3,296.9	(733.6)	(18.2)
Total Equity	2,488.7	2,576.1	87.5	3.5

**Includes booked commission income from insurance*

Consolidated sales, consisting of vehicle sales, spare parts and maintenance services, increased by 21.9% from Php8.8 billion in the first nine months of 2020 to Php10.7 billion in the same period of 2021. The increase was driven by recovery of sales as operations normalized. Penetration rate declined from 10.9% in the first nine months of 2020 to 9.5% in the same period of 2021.

Vehicle sales volume grew 27.2%, from 6,908 to 8,790 units. Revenue from after sales services, which accounts for 10.5% of revenues increased by 14.7%.

TMBC recorded a consolidated net income of Php89.9 million in the first nine months of 2021, a swing of Php122.8 million compared to the same period of 2020 as volume recovered, margins improved, and interest expenses declined year-to-date.

TMBC currently owns five (5) dealer outlets namely Toyota Manila Bay, Toyota Abad Santos, Toyota Cubao and Toyota Marikina, all situated within Metro Manila; and Toyota Dasmariñas in Cavite.

Toyota Financial Services Philippines Corporation (TFSPC)

	In Million Pesos, except for ratios			
	9M 2020	9M 2021	Inc (Dec)	%
Gross Interest Income	5,546.2	6,853.3	1,307.1	23.6
Net Interest Income	2,679.2	3,508.2	829.0	30.9
Net Income	256.1	347.8	91.7	35.8
	9M 2020	9M 2021	Inc (Dec)	%
Total Assets	89,473.5	117,796.6	28,323.1	31.7
Total Equity	9,482.32	11,689.1	2,206.8	23.3
Finance Receivable	84,591.40	106,934.0	22,342.6	26.4

TFSPC recorded a 23.6% growth in gross interest income from Php5.5 billion to Php6.9 billion, as finance receivables increased by 26.4% from Php84.6 billion to Php106.9 billion on a year-on-year basis. Such increase was mainly driven by the growth in bookings.

Booking volume increased by 78.2% from 24,399 units to 43,478 units attributable to the low base in 2020 arising from underperformance in TMP's sales volume on the first nine months of 2020 brought about by the Taal eruption and community quarantine restrictions and the higher penetration rates in 2021. This resulted in a significant improvement in penetration rate from 38.6% to 47.1%.

TFSPC generated a net income of Php347.8 million in spite of the increase in provision for credit losses and higher ROPA losses on the first nine months of 2021.

Sumisho Motor Finance Corporation (SMFC)

	In Million Pesos, except for ratios			
	9M 2020	9M 2021	Inc (Dec)	%
Gross Interest Income	1,435.3	1,285.8	(149.5)	(10.4)
Net Interest Income	1,250.8	1,118.3	(132.4)	(10.6)
Net Income	119.8	116.4	(3.4)	(2.9)
	FY 2020	9M 2021	Inc (Dec)	%
Total Assets	7,681.7	6,885.1	(796.6)	(10.4)
Total Equity	2,296.2	2,465.8	169.6	7.4
Finance Receivable	6,823.7	6,248.0	(575.7)	(8.4)

SMFC recorded a 10.4% decline in gross interest income from Php1,435.3 million to Php1,285.8 million, as finance receivable declined by 8.4% from Php6.8 billion as of December 2020 to Php6.2 billion as of the first nine months of 2021. Bookings, however, grew by 18.8% from 28,223 to 33,520 units due to a low volume base in 2020 when community quarantine restrictions were strictest from mid-March until end April.

SMFC booked less provisions for credit losses and higher income on ROPA on the first nine months of 2021 arising from the decline in loan portfolio brought by the continued community quarantine restrictions. This resulted in a 2.9% net income decline from Php119.8 million to Php116.4 million.

Banking

In Billion Pesos, except for percentages and ratios				
	9M 2020	9M 2021	Inc (Dec)	%
Net income attributable to equity holders	11.0	16.1	5.1	45.9
Net interest margin on average earning assets	4.11%	3.41%		(0.7)
Operating efficiency ratio	45.8%	59.0%		13.2
Return on average assets	0.6%	0.9%		0.3
Return on average equity	4.7%	6.7%		2.0

	FY 2020	9M 2021	Inc (Dec)	%
Total assets	2,455.2	2,428.7	(26.5)	(1.1)
Total liabilities	2,122.0	2,102.4	(19.6)	(0.9)
Equity attributable to equity holders of the parent company	324.2	317.1	(7.1)	(2.2)
Tier 1 capital adequacy ratio	19.3%	19.8%		0.5
Total capital adequacy ratio	20.2%	20.7%		0.5
Non-performing loans ratio	2.4%	2.1%		(0.3)
Non-performing loans coverage ratio	163.0%	191.0%		28.0

Notes:

- (1) Operating efficiency ratio is the ratio of total operating expenses (excluding provisions for credit and impairment loss and income tax) to total operating income (excluding share in net income of associates and joint venture).
- (2) Return on average asset is the net income attributable to equity holders of the parent company divided by the average total assets
- (3) Return on average equity is the net income attributable to equity holders of the parent company divided by the average total equity attributable to equity holders of the parent company
- (4) Capital adequacy ratios as of December 31, 2020 and September 30, 2021 were computed based on Basel III standards.
- (5) Non-performing loans ratio is the ratio of net non-performing loans divided by total loans – excluding interbank loans.
- (6) Non-performing loans coverage ratio is the ratio of the total allowance for probable losses on loans divided by gross non-performing loans

Metrobank's consolidated net income increased by 45.9% from Php11.0 billion for the first nine months of 2020 to Php16.1 billion for the first nine months of 2021. The Bank set aside Php10.0 billion in provisions for credit and impairment losses, 72.0% lower versus the Php35.4 billion booked in the same period last year.

Net interest income, however, declined by 14.5%, comprising 74.2% of total operating income. This was primarily driven by the contraction in net interest margin from 4.1% to 3.4% due to lower interest income from loans and receivables and trading and investment securities. Likewise, non-interest income fell by 35.9% from Php30.5 billion for the first nine months of 2020 to Php19.6 billion for the first nine months of 2021 on account of the lower net trading and foreign exchange gains, partially offset by the strong recovery in service fees and trust income by 11.0%.

As a result, operating income decreased by 21.2% from Php96.3 billion for the first nine months of 2020 to Php75.9 billion for the first nine months of 2021.

Total assets went down from Php2.46 trillion as of December 31, 2020 to Php2.43 trillion as of September 30, 2021 due to the decline in cash and other cash items, due from Bangko Sentral ng Pilipinas, and loans and receivables, offset by increases in investment securities, due from other banks, investments in associates and JV and other assets primarily due to the net effect of the increases in software cost and prepaid expenses and the decrease in miscellaneous asset.

Total liabilities decreased from Php2.12 trillion to Php2.10 trillion due to the decline in bills payable and securities sold under repurchase agreements, derivative liabilities, bonds payable, and income taxes payable and offset by growth in deposit liabilities, accrued interest and other expenses and other liabilities primarily due to the increases in marginal deposits and lease liabilities.

Equity attributable to equity holders of the parent company declined by 2.2% from Php324.2 billion as of December 31, 2020 to Php317.1 billion as of the first nine months of 2021 primarily due to the Php18.0 billion total cash dividends paid by the Bank during the year and the decrease in net unrealized gain on FVOCI, offset by the net income reported during the period.

Property Development

Federal Land Inc.

	In Million Pesos, except for percentages and ratios			
	9M 2020	9M 2021	Inc(Dec)	%
Real estate sales*	4,327.2	5,309.5	982.4	22.7
Revenues	6,162.8	7,688.3	1,525.4	24.8
Net income attributable to equity holders of the parent	172.1	904.3	732.2	425.4
	FY2020	9M 2021	Inc(Dec)	%
Total assets	109,376.6	109,985.5	608.9	0.6
Total liabilities	72,431.3	72,123.6	(307.8)	(0.4)
Total equity attributable to equity holders of the parent	36,828.2	37,732.5	904.3	2.5
Current ratio ¹	2.0x	2.4x		
Debt to equity ratio ²	1.3x	1.3x		

* Includes interest income on real estate sales

Notes:

1. Current ratio is the ratio of total current assets divided by total current liabilities.
2. Debt to equity ratio is the ratio of total loans divided by total equity attributable to equity holders of the parent company

Federal Land's reservation sales amounted to Php7.9 billion in the first nine months of 2021, declining 30.1% year-on-year as there were no new project launches since last year.

Real estate sales increased by 22.7% to Php5.3 billion on the back of strong incremental construction growth despite strict lockdowns. Revenues posted a 24.8% year-on-year growth due to higher income contribution from joint venture projects and higher forfeitures, interest and penalty charges. Net income attributable to equity holders of the parent grew faster at 425.4% from Php0.2 billion in the first nine months of 2020 to Php0.9 billion in the first nine months of

2021 due to the improvement in gross profit margin, higher income contribution from joint venture projects, and the positive impact of CREATE law on taxes.

Total assets of Federal Land ended at Php110.0 billion as of September 30, 2021 from Php109.4 billion as of December 31, 2020 due to the increase in inventory partially offset by the reduction in cash used for the settlement of liabilities.

Life and Non-Life Insurance

Philippine AXA Life Insurance Corporation and Subsidiary (AXA Philippines)

The following are the major performance measures used by AXA Philippines and Subsidiary for the first nine months of 2020 and 2021.

In Million Pesos, except ratios	Consolidated			
	9M 2020	9M 2021	Inc (Dec)	%
Gross Premiums	25,701.1	32,769.1	7,068.01	27.5
Net income after tax	2,257.0	2,158.8	(98.15)	(4.3)
	FY 2020	9M 2021	Inc (Dec)	%
Total Assets	153,914.9	169,148.9	15,234.0	9.9
Total Liabilities	141,849.2	155,197.9	13,348.7	9.4
Total Equity	12,065.7	13,951.0	1,885.3	15.6
In Million Pesos, except ratios	Life (Stand-alone)			
	9M 2020	9M 2021	Inc (Dec)	%
Gross Premiums	22,028.0	29,821.2	7,793.2	35.4
Net income after tax	1,944.3	2,340.1	395.8	20.4
	FY 2020	9M 2021	Inc (Dec)	%
Total Assets	146,497.2	162,695.1	16,197.9	11.1
Total Liabilities	133,371.5	147,466.2	14,094.7	10.6
Total Equity	13,125.7	15,228.9	2,103.2	16.0
Solvency ratio ¹	270%	277%		

Notes:

1. Solvency ratio is calculated as the insurance company's net worth divided by the Risk-based Capital (RBC) requirement of the Insurance Commission based on Memorandum Circular (IMC) No. 6-2006. Net worth shall include the company's paid-up capital, contributed and contingency surplus, and unassigned surplus.

New business from life insurance expressed in Annualized Premium Equivalent increased by 25.6% from Php3.7 billion in the first nine months of 2020 to Php4.7 billion in the first nine months of 2021. This was driven by the strong growth in both Single Premium and Regular Premium, increasing 79.7% and 8.6%, respectively. As a result, premium revenue reached Php29.8 billion in the first nine months of 2021, 35.4% higher than the same period last year. The reported premium revenue mix of life insurance shifted to 54%/46% (Single Premium vs. Regular Premium) in the first nine months of 2021 from 41%/59% in the first nine months of 2020. By distribution platform, bancassurance, sales agency and other channels accounted for 61%, 36% and 3% of premium revenues, respectively.

Gross written premiums of general insurance declined by 13.1% from Php2.9 billion in the first nine months of 2020 to Php2.5 billion in the first nine months of 2021 as the pandemic continued to impact mobility and consumer spending.

Consolidated net income stood at Php2.2 billion in the first nine months of 2021, 4.3% lower than the same period last year resulting from the lower earned premiums and pre-emptive provisions for NatCat losses from the general insurance business, partially offset by the positive net income performance of AXA Philippines stemming from lower unrealized losses in equities and higher asset management fees.

Infrastructure and Utilities

Metro Pacific Investments Corporation (MPIC)

	In Million Pesos, except for Percentages			
	9M 2020	9M 2021	Inc (Dec)	%
Core net income	7,736	9,477	1,741	23
Net income attributable to equity holders	5,009	12,380	7,371	147
	FY 2020	9M 2021	Inc (Dec)	%
Total assets	617,796	584,838	(32,958)	(5)
Total liabilities	373,451	348,753	(24,698)	(7)
Total equity attributable to owners of Parent Company	184,858	190,618	5,760	3

MPIC reported share in the consolidated operating core income at Php13.1 billion for the first nine months of 2021, a 15% increase from the same period last year, driven by the following:

- Higher volume sold for power; Core net income contribution of Manila Electric Company (Meralco) to MPIC was Php8.4 billion;
- Improved traffic on toll roads and the shift in tax regime to Optional Standard Deduction; Core net income contribution of Metro Pacific Tollways Corporation (MPTC) to MPIC was Php2.7 billion;
- Partially offset by the drop in billed water volumes and limited light rail services; Core net income contribution of Maynilad Water Services (Maynilad) and core net loss contribution of Light Rail Manila Corporation (LRMC) to MPIC was Php2.2 billion and Php0.3 billion, respectively

Reported net income attributable to equity holders rose by 147% from Php5.0 billion in the first nine months of 2020 to Php12.4 billion in the first nine months of 2021 due to the gain on sale of Global Business Power Corporation (Php4.6 billion) and Don Muang Tollways (Php1.1 billion). Excluding non-recurring income or expenses, MPIC reported a core net income of Php9.5 billion in the first nine months of 2021, 23% higher than the same period last year.

Except for (ii), (iv) and (vii), the Company does not know of:

- (i) Any known trends or any known demands, commitments, events, uncertainties that will result or that are reasonably likely in the Company's liquidity increasing or decreasing in any material way;
- (ii) Any events that would trigger direct or contingent financial obligation (including contingent obligation) that is material to the Company, including any default or acceleration of an obligation except those disclosed in the notes to the financial statements;
- (iii) Any material off balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons created during the reporting period;
- (iv) Any material commitments for capital expenditures, their purpose and sources of funds for such expenditures, except those discussed in the 2020 17A;
- (v) Any known trends, events or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations;
- (vi) Any significant elements of income or loss that did not arise from the Company's continuing operations;
- (vii) The causes of any material change from period to period including vertical and horizontal analysis of any material item, the causes of material changes are discussed in the Item 2, Management's Discussion & Analysis of Financial Condition and Results of operations under Part I - Financial Information ; and
- (viii) Any seasonal aspects that had a material effect on financial condition or results of operation of the Company

GT CAPITAL HOLDINGS, INC.
AGING OF ACCOUNTS RECEIVABLE
IN MILLION PESOS
AS OF SEPTEMBER 30, 2021

Number of Days	Amount
Less than 30 days	Php1,432
30 days to 60 days	448
61 days to 90 days	426
91 days to 120 days	232
Over 120 days	297
Current	10,165
Impaired	487
Noncurrent receivables	7,900
Total	Php21,387

PART II – OTHER INFORMATION

I. Control of Registrant

The following stockholders own more than 5% of the total issued and outstanding common shares of the Company as of September 30, 2021:

Name Of Stockholder	Total Number Of Shares Held	Percent To Total Number Of Shares Issued
Grand Titan Capital Holdings, Inc.	120,413,658	55.9323%
PCD Nominee-Filipino	48,189,093	22.3839%
PCD Nominee-Non-Filipino	45,794,039	21.2714%

II. Board Resolutions

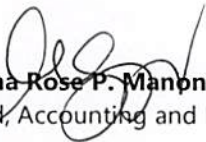
There is no material disclosure that have not been reported under SEC Form 17-C during the period covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **GT Capital Holdings, Inc.**

Signature and Title:


Reyna Rose P. Manon-og
Head, Accounting and Financial Control


Francisco H. Suarez, Jr.
Chief Finance Officer

Date: November 12, 2021

GT Capital Holdings, Inc. and Subsidiaries

Interim Condensed Consolidated Financial Statements

As of September 30, 2021 (Unaudited) and December 31, 2020 (Audited) and for the nine-month periods September 30, 2021 and 2020 (Unaudited)

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Millions)

	Unaudited September 30, 2021	Audited December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	P14,224	P17,114
Financial assets at fair value through profit or loss (FVTPL)	9,499	3,709
Receivables	12,997	18,833
Contract assets	5,867	6,183
Inventories	75,281	74,735
Due from related parties	610	202
Prepayments and other current assets	13,707	12,380
Total Current Assets	132,185	133,156
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI)	15,832	12,740
Receivables, net of current portion	7,900	7,048
Contract assets – net of current portion	6,664	6,852
Investment properties	16,123	16,253
Investments in associates and joint ventures	184,501	184,757
Property and equipment	15,110	11,612
Goodwill and intangible assets	9,940	9,965
Deferred tax assets	1,308	1,402
Other noncurrent assets	2,004	1,195
Total Noncurrent Assets	259,382	251,824
	P391,567	P384,980
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	P31,041	P29,998
Contract liabilities	3,773	4,006
Short term debt	13,080	28,007
Current portion of long-term debt	5,037	5,012
Current portion of liabilities on purchased properties	615	598
Current portion of bonds payable	–	4,995
Customers' deposits	804	506
Dividends payable	1,493	589
Due to related parties	205	515
Income tax payable	164	472
Other current liabilities	776	843
Total Current Liabilities	56,988	75,541
Noncurrent Liabilities		
Long-term debt – net of current portion	111,167	95,429
Bonds payable	10,074	10,065
Liabilities on purchased properties - net of current portion	2,086	2,657
Pension liabilities	2,162	1,934
Deferred tax liabilities	3,129	3,225
Other noncurrent liabilities	3,927	3,944
Total Noncurrent Liabilities	132,545	117,254
	189,533	192,795

(forward)

	Unaudited September 30, 2021	Audited December 31, 2020
EQUITY		
Equity attributable to equity holders of the Parent Company		
Capital stock	₱3,370	₱3,370
Additional paid-in capital	98,827	98,827
Retained earnings		
Unappropriated	87,254	79,234
Appropriated	400	400
Other comprehensive income (loss)	88	(853)
Other equity adjustments	2,322	2,322
	192,261	183,300
Non-controlling interest	9,773	8,885
Total Equity	202,034	192,185
	₱391,567	₱384,980

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(In Millions, Except Earnings Per Share)

	UNAUDITED			
	January to September		July to September	
	2021	2020	2021	2020
REVENUE				
Automotive operations	P107,973	P72,837	P34,859	P29,506
Equity in net income of associates and joint ventures	8,638	5,333	2,324	1,088
Real estate sales and interest income on real estate sales	5,366	4,328	1,813	1,362
Rent income	960	1,080	273	371
Sale of goods and services	397	337	151	104
Commission income	222	89	111	15
Interest income	114	155	35	33
Other income	1,830	1,441	276	500
	125,500	85,600	39,842	32,979
COST AND EXPENSES				
Cost of goods and services sold	72,730	49,270	23,773	19,207
Cost of goods manufactured	23,100	14,625	7,268	6,645
General and administrative expenses	9,495	8,831	3,273	3,033
Interest expense	4,598	4,866	1,598	1,629
Cost of real estate sales	2,645	2,187	832	643
Cost of rental	484	396	177	143
	113,052	80,175	36,921	31,300
INCOME BEFORE INCOME TAXES	12,448	5,425	2,921	1,679
PROVISION FOR INCOME TAX	1,499	1,112	340	594
NET INCOME	P10,949	P4,313	P2,581	P1,085
ATTRIBUTABLE TO:				
Equity holders of the Parent Company	P8,667	P3,231	P1,993	P490
Non-controlling interests	2,282	1,082	588	595
	P10,949	P4,313	P2,581	P1,085
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	P38.21	P12.96		

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

	UNAUDITED			
	January to September		July to September	
	2021	2020	2021	2020
NET INCOME	P10,949	P4,313	P2,581	P1,085
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>				
Changes in cumulative translation adjustments	19	(13)	15	(8)
Changes in cash flow hedge reserves	16	(2)	4	2
Equity in other comprehensive income of associates:				
Cash flow hedge reserves	36	(80)	41	3
Remeasurement on life insurance reserves	170	(276)	120	(91)
Translation adjustment	475	(370)	506	(27)
Other equity adjustments	(21)	–	–	–
	695	(741)	686	(121)
<i>Items that may not be reclassified to profit or loss in subsequent periods:</i>				
Changes in fair value of financial assets at FVOCI	2,874	(1,192)	285	204
Equity in changes in fair value of financial assets at FVOCI	(2,467)	1,633	(537)	(1,824)
Remeasurement of defined benefit plans	(87)	(10)	–	(9)
Equity in remeasurement of defined benefit plans of associates	(147)	(297)	(7)	(7)
Income tax effect	70	92	2	5
	243	226	(257)	(1,631)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	938	(515)	429	(1,752)
TOTAL COMPREHENSIVE INCOME (LOSS)	P11,887	P3,798	P3,010	(P667)
ATTRIBUTABLE TO:				
Equity holders of the Parent Company	P9,608	P2,729	P2,405	(P1,249)
Non-controlling interests	2,279	1,069	605	582
	P11,887	P3,798	P3,010	(P667)

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(In Millions)

	Equity Attributable to Equity Holders of the Parent Company						Non-controlling Interests	Total
	Capital Stock	Additional Paid-in Capital	Unappropriated Retained Earnings	Appropriated Retained Earnings	Other Comprehensive Income (Loss)	Other Equity Adjustment		
At January 1, 2021	P3,370	P98,827	P79,234	P400	(P853)	P2,322	P8,885	P192,185
Total comprehensive income	-	-	8,667	-	941	-	2,279	11,887
Dividends declared	-	-	(647)	-	-	-	(1,756)	(2,403)
NCI share on acquisition of new subsidiaries	-	-	-	-	-	-	365	365
At September 30, 2021	P3,370	P98,827	P87,254	P400	P88	P2,322	P9,773	P202,034

	Equity Attributable to Equity Holders of the Parent Company						Non-controlling Interests	Total
	Capital Stock	Additional Paid-in Capital	Unappropriated Retained Earnings	Appropriated Retained Earnings	Other Comprehensive Income (Loss)	Other Equity Adjustment		
At January 1, 2020	P3,370	P98,827	P74,569	P400	(P2,019)	P2,322	P11,851	P189,320
Total comprehensive income	-	-	3,231	-	(502)	-	1,069	3,798
Dividends declared	-	-	(1,292)	-	-	-	(4,454)	(5,746)
Reversal of appropriation	-	-	-	-	-	-	-	-
NCI share on stock issuance of subsidiaries	-	-	-	-	-	-	20	20
At September 30, 2020	P3,370	P98,827	P76,508	P400	(P2,521)	P2,322	P8,486	P187,392

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In Millions)

	Unaudited	
	For the Nine Months Ended	
	September 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P12,448	P5,425
Adjustments for:		
Interest expense	4,598	4,866
Depreciation and amortization	1,627	1,611
Pension expense	304	231
Unrealized foreign exchange loss (gain)	79	(180)
Provision for impairment losses	42	39
Gain on disposal of property and equipment	(22)	(3)
Unrealized gain on financial assets at FVTPL	(28)	(86)
Dividend income	(191)	(181)
Interest income	(1,289)	(1,380)
Equity in net income of associates and joint ventures	(8,638)	(5,333)
Operating income before changes in working capital	8,930	5,009
Decrease (increase) in:		
Receivables	5,149	(691)
Contract assets	504	(1,892)
Due from related parties	(408)	23
Inventories	138	(4,061)
Financial assets at FVTPL	(5,756)	1,640
Prepayments and other current assets	(1,327)	35
Increase (decrease) in:		
Accounts and other payables	1,028	659
Contract liabilities	(234)	(75)
Customers' deposits	298	142
Due to related parties	(310)	(24)
Other current liabilities	(70)	(924)
Cash provided by (used in) operations	7,942	(159)
Interest received	1,076	1,329
Interest paid	(4,330)	(4,813)
Contributions to pension plan	(81)	(40)
Dividends received	7,423	2,408
Dividends paid	(1,498)	(2,220)
Income taxes paid	(1,840)	(1,627)
Net cash provided by (used in) operating activities	8,692	(5,122)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	34	91
Additions to:		
Property and equipment	(5,500)	(614)
Financial assets at FVOCI	(387)	-
Investments in associates and joint ventures	(209)	(1,296)
Intangible assets	(57)	(27)
Investment properties	(197)	(90)
Impact of business combination	50	-
Increase in other noncurrent assets	(756)	(806)
Net cash used in investing activities	(7,022)	(2,742)

(Forward)

	Unaudited	
	For the Nine Months Ended	
	September 30	
	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availments	₱38,640	₱45,315
Payment of loans payable	(37,547)	(32,675)
Payment of bonds payable	(5,000)	(3,900)
Payment of liabilities on purchased properties	(554)	(114)
Documentary stamp tax on loan availments	(128)	(60)
Increase (decrease) in other noncurrent liabilities	(257)	634
Acquisition of noncontrolling interests	365	20
Net cash (used in) provided by financing activities	(4,481)	9,220
Effect of exchange rate changes on cash and cash equivalents	(79)	180
NET INCREASE (DECREASE) IN CASH AND CASH		
EQUIVALENTS	(2,890)	1,536
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,114	12,133
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱14,224	₱13,669

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

GENERAL NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

GT Capital Holdings, Inc. (GT Capital or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on July 26, 2007. The primary purpose of the Parent Company is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop or otherwise dispose of real property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned.

The common shares of the Parent Company were listed beginning April 20, 2012 and have since been traded in the Philippine Stock Exchange, Inc. (PSE).

Group Activities

The Parent Company, Federal Land, Inc. (Federal Land) and Subsidiaries (Federal Land Group), Toyota Motor Philippines Corporation (Toyota or TMPC) and Subsidiaries (Toyota Group), Toyota Manila Bay Corp. (TMBC) and Subsidiary (TMBC Group) and GT Capital Auto Dealership Holdings, Inc. (GTCAD) and Subsidiaries (GTCAD Group) are collectively referred herein as the "Group". The Parent Company, which is the ultimate parent of the Group, the holding company of the Federal Land Group (real estate business), Toyota Group (automotive business), TMBC Group (automotive business) and GTCAD (automotive business) is engaged in investing, purchasing and holding shares of stock, notes and other securities and obligations.

The principal business interests of the Federal Land Group are real estate development and leasing and selling properties and acting as a marketing agent for and in behalf of any real estate development company or companies. The Federal Land Group is also engaged in the business of trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintaining a petroleum service station and food and restaurant service.

Toyota Group is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of motor vehicles including vehicle parts, accessories and instruments.

TMBC Group is engaged in purchasing, trading, exchanging, distributing, marketing, repairing and servicing automobiles, trucks and all kinds of motor vehicles and automobile products of every kind and description, motor vehicle parts, accessories, tools and supplies and equipment items.

The principal business interests of GTCAD are to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop, or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any auto dealership or other corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned.

The Parent Company also has significant shareholdings in Metropolitan Bank & Trust Company (MBTC or Metrobank), Metro Pacific Investments Corporation (MPIC), Philippine AXA Life Insurance Corporation (AXA Philippines or Phil AXA), Toyota Financial Services Philippines Corporation (TFSPC) and Sumisho Motor Finance Corporation (SMFC).

The registered office address of the Parent Company is at the 43rd Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa Street, 1227 Makati City.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34 Interim Financial Reporting. Accordingly, the interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Group's annual audited financial statements as at December 31, 2020.

The interim condensed consolidated financial statements of the Group have been prepared using the historical cost basis except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments, which have been measured at fair value. The Group's interim condensed consolidated financial statements are presented in Philippine Peso (₱), the Parent Company's functional currency. All values are rounded to the nearest million pesos (₱000,000) unless otherwise indicated.

Statement of Compliance

The interim condensed consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS).

Presentation of Financial Statements

Financial assets and financial liabilities are offset and the net amount reported in the interim condensed consolidated statements of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense are not offset in the interim condensed consolidated statements of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Basis of Consolidation

The interim condensed consolidated financial statements of the Group comprise the financial statements of the Parent Company and the following domestic subsidiaries:

	Country of Incorporation	Percentages of Ownership	
		September 30, 2021	December 31, 2020
Federal Land and Subsidiaries	Philippines	100.00	100.00
Toyota and Subsidiaries	-do-	51.00	51.00
TMBC and Subsidiaries	-do-	58.10	58.10
GTCAD and Subsidiaries	-do-	100.00	100.00

Federal Land's Subsidiaries

	Percentages of Ownership	
	2021	2020
Horizon Land Property and Development Corp. (HLPDC)	100.00	100.00
Federal Property Management Corp. (FPMC)	100.00	100.00
Federal Land Orix Corporation (FLOC)	100.00	100.00
Topsphere Realty Development Company Inc. (TRDCI)	100.00	100.00
Bonifacio Landmark Hotel Management Corporation (BLHMC)	100.00	100.00
Fed South Dragon Corporation (FSDC)	100.00	100.00
Federal Retail Holdings, Inc. (FRHI)	100.00	100.00
Magnificat Resources Corp. (MRC)	100.00	100.00
Central Realty and Development Corp. (CRDC)	75.80	75.80
Federal Brent Retail, Inc. (FBRI)	51.66	51.66

Toyota's Subsidiaries

	Percentages of Ownership	
	2021	2020
Toyota Makati, Inc. (TMI)	100.00	100.00
Toyota Motor Philippines Logistics, Inc. (TLI)	100.00	100.00
Lexus Manila, Inc. (LMI)	75.00	75.00
Toyota San Fernando Pampanga, Inc. (TSFI)	55.00	55.00
Toyota Sta. Rosa Laguna, Inc. (TSRLI)	-	100.00

On December 29, 2020, GTCAD and Toyota Corolla Sapporo Philippines Holdings, Inc. (TCSPHI) entered into a Share Sale and Purchase Agreement with TMPC. TMPC agreed to sell and transfer its 5,000,000 shares of TSRLI shares with a par value of ₱100.00 per share, representing in the aggregate 100% of the total issued and outstanding voting shares of TSRLI, to GTCAD and TCSPHI. 60% of the sale shares equivalent to 3,000,000 shares will be sold and transferred to GTCAD and the remaining 40% or 2,000,000 shares will be sold and transferred to TCSPHI. The said agreement shall enter into force and effect on January 1, 2021.

TMBC's Subsidiaries

	Percentages of Ownership	
	2021	2020
Oxfordshire Holdings, Inc. (OHI)	100.00	100.00
TMBC Insurance Agency Corporation (TIAC)	100.00	100.00

GTCAD's Subsidiaries

	Percentages of Ownership	
	2021	2020
Toyota Subic, Inc. (TSI)	55.00	55.00
GT Mobility Ventures, Inc. (GTMV)	66.67	66.67
Toyota Sta. Rosa Laguna, Inc. (TSRLI)*	60.00	-

* Refer to the narratives on Toyota Subsidiaries' above.

In 2020, GTMV made a deposit in Premium Warranty Services, Philippines Inc. (PWSPI) amounting to ₱49.75 million representing the paid-up capital of PWSPI. PWSPI was incorporated on February 16, 2021.

In 2019, GTCAD, through GTMV, a joint venture between the GTCAD and Mitsui, formed JBA Philippines with auction house operator Japan Bike Auction Co., Ltd. ("JBA"). 60% of JBA Philippines will be controlled by GTMV while 40% will be owned by JBA.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of subsidiaries ceases when control is transferred out of the Parent Company.

Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intragroup transactions, balances, income and expenses resulting from intragroup transactions and dividends are eliminated in full on consolidation.

Non-controlling interests (NCI) represent the portion of profit or loss and net assets in a subsidiary not attributed, directly or indirectly, to the Parent Company. The interest of non-controlling shareholders may be initially measured at fair value or share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, NCI consists of the amount attributed to such interests at initial recognition and the NCI's share of changes in equity since the date of combination.

NCI are presented separately in the interim condensed consolidated statements of income, interim condensed consolidated statements of comprehensive income, interim condensed consolidated statements of changes in equity and within equity in the interim condensed consolidated statements of financial position, separately from the Parent Company's equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if that results in the NCI having a deficit balance.

If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any NCI and the cumulative translation differences, recorded in equity;
- recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business Combinations Involving Entities Under Common Control

A business combination involving entities under common control is accounted for using the uniting of interest method, except when the acquisition is deemed to have commercial substance for the Group, in which case the business combination is accounted for under the acquisition method. The combined entities accounted for by the uniting of interests method reports the results of operations for the period in which the combination occurs as though the entities had been combined as of the beginning of the period. Financial statements of the separate entities presented for prior years are also restated on a combined basis to provide comparative information. The effects of intercompany transactions on assets, liabilities, revenues, and expenses for the periods presented, and on retained earnings at the beginning of the periods presented are eliminated to the extent possible.

Under the uniting of interest method, the acquirer accounts for the combination as follows:

- the assets and liabilities of the acquiree are consolidated using the existing carrying values instead of fair values;
- intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable PFRS;
- no amount is recognized as goodwill;
- any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities; and
- comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented.

The acquiree's equity are included in the opening balances of the equity as a restatement and are presented as 'Effect of uniting of interest' in the interim condensed consolidated statements of changes in equity. Cash considerations transferred on acquisition of a subsidiary under common control are deducted in the 'Retained earnings' at the time of business combination.

When evaluating whether an acquisition has commercial substance, the Group considers the following factors, among others:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as NCI or other third parties; and
- whether or not the transaction is conducted at fair value.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer elects whether to measure the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed and included in the interim condensed consolidated statements of income.

When the Group acquires a business, it assesses the financial assets and liabilities of the acquiree for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. The Group also assesses whether assets or liabilities of the acquiree that are previously unrecognized in the books of the acquiree will require separate recognition in the interim condensed consolidated financial statements of the Group at the acquisition date.

In a business combination achieved in stages, the Group remeasures its previously-held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in the interim condensed consolidated statements of income. Any recognized changes in the value of its equity interest in the acquiree previously recognized in other comprehensive income are recognized by the Group in profit or loss, as if the previously-held equity interests are disposed of.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized either in the interim condensed consolidated statements of income or as changes to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that if known, would have affected the amounts recognized as at that date. The measurement period is the period from the date of acquisition to the date the Group receives complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one (1) year.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount recognized for any NCI in the acquiree and the fair value of the acquirer's previously-held interest, if any, over the fair value of the net assets acquired.

If after reassessment, the fair value of the net assets acquired exceeds the consideration transferred, the amount recognized for any NCI in the acquiree and the fair value of the acquirer's previously-held interest, if any, the difference is recognized immediately in the interim condensed consolidated statements of income as 'Gain on bargain purchase'.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss is recognized immediately in the interim condensed consolidated statements of income and is not subsequently reversed. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination from the acquisition date irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is not amortized but is reviewed for impairment at least annually. Any impairment losses are recognized immediately in profit or loss and are not subsequently reversed.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Change in Ownership without Loss of Control

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling interest and NCI are adjusted by the Group to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company.

Significant Accounting Policies / Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual audited consolidated financial statements as of and for the year ended December 31, 2020, except for the adoption of the following amended standards, which became effective beginning January 1, 2021.

Amendments

Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition.

As of September 30, 2021, the amended standard does not have a significant impact on the financial statements of the Group.

Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PAS 34 requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting judgments and estimates of the Group have been disclosed in the 2020 audited financial statements.

3. Cash and cash equivalents

This account consists of:

	September 30, 2021	September 30, 2020	December 31, 2020
Cash on hand	P38	P17	P23
Cash in banks and other financial institution	3,732	4,618	5,394
Cash equivalents	10,454	9,034	11,697
	P14,224	P13,669	P17,114

4. Investments

Financial assets at fair value through profit or loss (FVTPL)

This pertains to the Parent Company's investments in Unit Investment Trust Fund (UITF) as of September 30, 2021.

Financial assets at fair value through other comprehensive income (FVOCI)

This pertains mainly to the Parent Company's investment in common shares of Toyota Motor Corporation (TMC).

5. Investments in subsidiaries, associates and joint ventures

Investment in MBTC

On various dates in 2020, the Parent Company acquired an aggregate of 22.11 million common shares of Metrobank for a total consideration of P1.24 billion. This increased the Parent Company's ownership interest in Metrobank from 36.65% to 37.15%.

The following table summarizes cash dividends declared and paid by the Group's associates and joint ventures (amount in millions, except for dividend per share):

	Declaration Date	Per Share	Total	Record Date	Payment Date
2021					
MBTC	February 17, 2021	P1.00	P4,497	March 5, 2021	March 18, 2021
MBTC*	February 17, 2021	3.00	13,492	March 5, 2021	March 18, 2021
MPIC	August 4, 2021	0.0345	1,057	August 18, 2021	September 2, 2021
MPIC	March 3, 2021	0.0481	1,475	March 18, 2021	March 31, 2021
MPIC*	March 3, 2021	0.0279	856	March 18, 2021	March 31, 2021
SMFC	June 25, 2021	1.93	38.6	July 12, 2021	July 21, 2021
2020					
MBT	February 19, 2020	1.00	4,497	March 6, 2020	March 20, 2020
MPIC	August 5, 2020	0.0345	1,086	August 20, 2020	September 3, 2020
MPIC	February 26, 2020	0.076	2,399	March 12, 2020	March 20, 2020
SMFC	June 26, 2020	8.88	178	June 26, 2020	July 17, 2020

*Special cash dividends

6. Loans Payable

This account consists of:

September 30, 2021					
	Long-term debt				
	Short-term debt	Corporate notes	Loans payable	Subtotal	Total
Parent Company	P-	P-	P72,573	P72,573	P72,573
Federal Land Group	3,217	960	42,155	43,115	46,332
Toyota Group	8,720	-	246	246	8,966
TMBC Group	1,003	-	746	746	1,749
GTCAD Group	140	-	-	-	140
	13,080	960	115,720	116,680	129,760
Less: Deferred financing cost	-	-	476	476	476
	13,080	960	115,244	116,204	129,284
Less: Current portion of long-term debt	-	25	5,012	5,037	5,037
	P13,080	P935	P110,232	P111,167	P124,247

December 31, 2020					
	Long-term debt				
	Short-term debt	Corporate notes	Loans payable	Subtotal	Total
Parent Company	P-	P-	P67,765	P67,765	P67,765
Federal Land Group	15,012	965	30,999	31,964	46,976
Toyota Group	12,025	-	246	246	12,271
TMBC Group	885	-	863	863	1,748
GTCAD Group	85	-	-	-	85
	28,007	965	99,873	100,838	128,845
Less: Deferred financing cost	-	-	397	397	397
	28,007	965	99,476	100,441	128,448
Less: Current portion of long-term debt	-	25	4,987	5,012	5,012
	P28,007	P940	P94,489	P95,429	P123,436

7. Bonds Payable

This account consists of the following Peso Bonds:

Carrying Value				
Maturity Dates	Interest rate	Par Value	September 30, 2021	December 31, 2020
<i>P10.0 billion Bonds</i>				
February 27, 2023	5.0937%	6,100	P6,089	P6,083
<i>P12.0 billion Bonds</i>				
August 7, 2021	5.1965%	5,000	-	4,995
August 7, 2024	5.6250%	4,000	3,985	3,982
		9,000	3,985	8,977
		15,100	P10,074	P15,060

Unamortized debt issuance costs on these bonds amounted to ₱25.62 million and ₱39.93 million as of September 30, 2021 and December 31, 2020, respectively.

10.0 billion GT Capital bonds due 2020, 2023

The ₱3.90 billion bonds with maturity date of February 27, 2020 were paid. This was refinanced in February 2020 with a long-term loan from a non-affiliated local bank.

12.0 billion GT Capital bonds due 2019, 2021, 2024

The 5.00 billion bonds with maturity date of August 7, 2021 were paid. This was refinanced in July 2021 with a long-term loan from a non-affiliated local bank.

The 3.00 billion bonds with maturity date of November 7, 2019 were paid. This was refinanced in November 2019 with a long-term loan from a non-affiliated local bank.

8. Equity

Retained earnings

Details of the Parent Company's dividend distributions to preferred shareholders out of the Parent Company's retained earnings as approved by the Parent Company's BOD follow:

Date of declaration	Per share	Total amount (in millions)	Record date	Payment date
<i>Voting preferred shares</i>				
March 22, 2021	₱0.00377	₱0.66	April 7, 2021	April 21, 2021
May 21, 2020	0.00377	0.66	June 5, 2020	June 19, 2020
<i>Perpetual Preferred Shares</i>				
Series A				
December 15, 2020	11.57475	56.01	January 4, 2021	January 27, 2021
December 15, 2020	11.57475	56.01	April 5, 2021	April 27, 2021
December 15, 2020	11.57475	56.01	July 5, 2021	July 27, 2021
December 15, 2020	11.57475	56.01	October 4, 2021	October 27, 2021
November 26, 2019	11.57475	56.01	January 3, 2020	January 27, 2020
November 26, 2019	11.57475	56.01	April 3, 2020	April 27, 2020
November 26, 2019	11.57475	56.01	July 3, 2020	July 27, 2020
November 26, 2019	11.57475	56.01	October 5, 2020	October 27, 2020
Series B				
December 15, 2020	12.73725	91.21	January 4, 2021	January 27, 2021
December 15, 2020	12.73725	91.21	April 5, 2021	April 27, 2021
December 15, 2020	12.73725	91.21	July 5, 2021	July 27, 2021
December 15, 2020	12.73725	91.21	October 4, 2021	October 27, 2021
November 26, 2019	12.73725	91.21	January 3, 2020	January 27, 2020
November 26, 2019	12.73725	91.21	April 3, 2020	April 27, 2020
November 26, 2019	12.73725	91.21	July 3, 2020	July 27, 2020
November 26, 2019	12.73725	91.21	October 5, 2020	October 27, 2020

Details of the Parent Company's dividend distributions to common shareholders out of the Parent Company's retained earnings as approved by the Parent Company's BOD follow:

Date of declaration	Per share	Total amount	Record date	Payment date
March 22, 2021	P3.00	P645.85	April 7, 2021	April 21, 2021
May 21, 2020	3.00	645.85	June 5, 2020	June 19, 2020
May 21, 2020*	3.00	645.85	June 5, 2020	June 19, 2020

*Special cash dividends

Other Comprehensive Income (Loss)

Other comprehensive income (loss) consists of the following, net of applicable income taxes:

	September 30, 2021	September 30, 2020	December 31, 2020
Net unrealized gain (loss) on financial assets at FVOCI	P4,214	(P189)	P1,357
Net unrealized loss on remeasurement of retirement plan	(479)	(294)	(448)
Cash flow hedge reserve	(35)	(55)	(51)
Cumulative translation adjustments	-	(8)	(10)
Equity in other comprehensive income of associates:			
Equity in net unrealized gain on financial assets at FVOCI	1,677	3,819	4,145
Equity in remeasurement on life insurance reserves	(176)	(258)	(346)
Equity in cash flow hedge reserves	(279)	(281)	(316)
Equity in net unrealized loss on remeasurement of retirement plan	(1,848)	(1,666)	(1,745)
Equity in cumulative translation adjustments	(2,991)	(3,595)	(3,466)
Equity in other equity adjustments	5	6	27
	P88	(P2,521)	(P853)

The movements and analysis of the other comprehensive loss are presented in the interim condensed consolidated statements of comprehensive income.

9. Related Party Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities. These related parties include subsidiaries, associates, joint venture, key management personnel, stockholders and other related parties which include affiliates.

An entity is considered an affiliate if such entity and the Parent Company have common shareholders. In effect, such entity is a sister company of the Parent Company by virtue of ownership and common control. It is neither a subsidiary nor associate of the Group.

The Group, in its regular conduct of its business, has entered into transactions with its associates, joint venture and other related parties principally consisting of cash advances for reimbursement

of expenses, merger and acquisitions and capital infusion, leasing agreements, management agreements and dividends received from associates. Transactions with related parties are made at normal market prices.

As of September 30, 2021 and December 31, 2020, outstanding balances are unsecured and settlement occurs generally in cash, except otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

10. Basic/Diluted Earnings Per Share

The basic/diluted earnings per share attributable to equity holders of the Parent Company for the periods indicated were computed as follows:

	September 30, 2021	September 30, 2020	December 31, 2020
a.) Net income attributable to equity holders of the Parent Company	₱8,667	₱3,231	₱6,546
b.) Effect of dividends declared to voting and perpetual preferred shareholders of the Parent Company	(442)	(442)	(589)
c.) Net income attributable to common shareholders of the Parent Company	8,225	2,790	5,957
d.) Weighted average number of outstanding common shares of the Parent Company	215	215	215
e.) Basic/diluted earnings per share, (c / d)	₱38.21	₱12.96	₱27.67

Basic earnings per share (EPS) is computed by dividing net income for the year attributable to common shareholders of the Parent Company by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and exercised during the year. Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

11. Operating Segments

Segment Information

For management purposes, the Group is organized into business units based on their products and activities and has four reportable segments as follows:

- Real estate is engaged in real estate and leasing, development and selling of properties of every kind and description, as well as ancillary trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintenance of a petroleum service station, engaging in food and restaurant service and acting as a marketing agent for and in behalf of any real estate development company or companies;
- Financial institutions are engaged in the banking and insurance industry;

- Automotive operations is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobiles including automobile parts, accessories, and instruments; and
- Infrastructure is engaged in the water distribution, toll operation, power sector, hospitals and rail;
- Others pertain to other corporate activities of the Group (i.e., capital raising activities, acquisitions and investments).

The chief operating decision maker (CODM) monitors the operating results of the Group for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, taxes and depreciation/amortization (EBITDA) and pretax income which are measured similarly under PFRS, except for EBITDA. EBITDA is computed by reconciling net interest income (expense) and provision for income taxes to the net income and adding back depreciation and amortization expenses for the period.

There were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. Intragroup transactions were eliminated during consolidation.

Seasonality of Operations

The operations of the Group are not materially affected by seasonality, except for the mall leasing operations of the real estate segment which experiences higher revenues during the holiday seasons. This information is provided to allow for a proper appreciation of the results of the Group's operations. However, management concluded that the aforementioned discussions of seasonality do not constitute "highly seasonal" as considered in PAS 34.

Segment Assets

Segment assets are resources owned by each of the operating segments that are employed in its operating activities.

Segment Liabilities

Segment liabilities are obligations incurred by each of the operating segments from its operating activities.

The following tables present the financial information of the operating segments of the Group as of and for the nine months period ended September 30, 2021 and as of and for the year ended December 31, 2020:

	September 30, 2021					
	Real Estate	Financial Institution	Automotive Operations	Infra Structure	Others	Total
Revenue	P4,191	P-	P107,973	P-	P-	P112,164
Other income	2,198	-	938	-	273	3,409
Equity in net income of associates and joint ventures	113	6,613	-	1,912	-	8,638
	6,502	6,613	108,911	1,912	273	124,211
Cost of goods and services sold	313	-	72,417	-	-	72,730
Cost of goods manufactured and sold	-	-	23,100	-	-	23,100
Cost of rental	474	-	-	-	10	484
Cost of real estate sales	2,645	-	-	-	-	2,645
General and administrative expenses	2,083	-	7,105	-	307	9,495
	5,515	-	102,622	-	317	108,454
Earnings before interest and taxes	987	6,613	6,289	1,912	(44)	15,757
Depreciation and amortization	402	-	1,218	-	7	1,627
EBITDA	1,389	6,613	7,507	1,912	(37)	17,384
Interest income	1,129	-	98	-	62	1,289
Interest expense	(1,032)	-	(183)	-	(3,383)	(4,598)
Depreciation and amortization	(402)	-	(1,218)	-	(7)	(1,627)
Pretax income	1,084	6,613	6,204	1,912	(3,365)	12,448
Provision for income tax	(32)	-	(1,456)	-	(11)	(1,499)
Income after tax	P1,052	P6,613	P4,748	P1,912	(3,376)	P10,949
Segment assets	P106,210	P134,104	P64,972	P37,854	P48,427	P391,567
Segment liabilities	P67,034	P-	P38,363	P-	P84,136	P189,533

	December 31, 2020					
	Real Estate	Financial Institution	Automotive Operations	Infra structure	Others	Total
Revenue	P4,646	P-	P113,975	P-	P2,983	P121,604
Other income	3,022	-	1,041	-	375	4,438
Equity in net income of associates and joint venture	(300)	5,826	-	829	-	6,355
	7,368	5,826	115,016	829	3,358	132,397
Cost of goods and services sold	358	-	76,121	-	-	76,479
Cost of goods manufactured and sold	-	-	23,554	-	-	23,554
Cost of rental	580	-	-	-	9	589
Cost of real estate sales	3,157	-	-	-	963	4,120
General and administrative expenses	2,534	-	10,043	-	455	13,032
	6,629	-	109,718	-	1,427	117,774
Earnings before interest and taxes	739	5,826	5,298	829	1,931	14,623
Depreciation and amortization	529	-	1,979	-	9	2,517
EBITDA	1,268	5,826	7,277	829	1,940	17,140
Interest income	1,833	-	154	-	36	2,023
Interest expense	(1,379)	-	(447)	-	(4,497)	(6,323)
Depreciation and amortization	(529)	-	(1,979)	-	(9)	(2,517)
Pretax income	1,193	5,826	5,005	829	(2,530)	10,323
Provision for income tax	(370)	-	(1,564)	-	(52)	(1,986)
Net income from continuing operations	823	5,826	3,441	829	(2,582)	8,337
Net income from discontinued operations	-	-	-	-	-	-
Net income	P823	P5,826	P3,441	P829	(P2,582)	P8,337
Segment assets	P102,768	P136,111	P65,464	P36,465	P44,172	P384,980
Segment liabilities	P66,241	P-	P41,853	P-	P84,701	P192,795

Geographical Information

The following table shows the distribution of the Group's consolidated revenues to external customers by geographical market, regardless of where the goods were produced:

	September 30, 2021	September 30, 2020	December 31, 2020
Domestic	P119,099	P81,587	P128,346
Foreign	6,401	4,013	6,073
	P125,500	P85,600	P134,419

12. Financial Risk Management and Objectives

The Group's principal financial instruments are composed of cash and cash equivalents, short-term investments, receivables, due from related parties, financial assets at FVOCI, financial assets at FVTPL, accounts and other payables, due to/from related parties, loans payable and derivative liabilities.

Exposure to credit, liquidity, foreign currency and interest rate risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of financial derivative instruments (if any) is solely for the management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's respective financing and treasury functions focus on managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

Credit risk

The Group's credit risks are primarily attributable to its financial assets. To manage credit risks, the Group maintains defined credit policies and monitors on a continuous basis its exposure to credit risks. Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

Financial assets comprise of cash and cash equivalents, financial assets at FVTPL, receivables, due from related parties and financial assets at FVOCI. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

In respect of installment receivables from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant and the requirement for remedial procedures is minimal given the profile of buyers.

Maximum exposure to credit risk after taking into account collateral held or other credit enhancements

As of September 30, 2021 and December 31, 2020, the maximum exposure to credit risk of the Group's financial assets is equal to its carrying value except for installment contracts receivable with nil exposure to credit risk since the fair value of the related collateral is greater than the carrying value of the installment contracts receivable.

Liquidity risk

The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions.

Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Group's businesses. To serve as back-up liquidity, management develops variable funding alternatives either by issuing debt or raising capital.

The table summarizes the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments:

	September 30, 2021 (Unaudited)			Total
	< 1 year	> 1 to < 5 years	> 5 years	
Financial assets				
Cash and cash equivalents*	P14,187	P-	P-	P14,187
Receivables	13,486	7,619	-	21,105
Due from related parties	610	-	-	610
Financial assets at FVTPL				
Investments in UITF	9,499	-	-	9,499
Financial assets at FVOCI				
Equity securities				
Quoted	-	-	15,591	15,591
Unquoted	-	-	241	241
Total undiscounted financial assets	P37,782	P7,619	P15,832	P61,233
Other financial liabilities				
Accounts and other payables	P26,872	P1,349	P-	P28,221
Dividends payable	1,493	-	-	1,493
Loans payable	20,257	53,431	84,172	157,860
Bonds payable	536	10,644	-	11,180
Due to related parties	205	-	-	205
Liabilities on purchased properties	96	2,375	1,656	4,127
Derivative liabilities	-	35	-	35
Total undiscounted financial liabilities	P49,459	P67,834	P85,828	P203,121
Liquidity Gap	(P11,677)	(P60,215)	(P69,996)	(P141,888)

*Excludes cash on hand amounting to P37.49 million.

	December 31, 2020			Total
	< 1 year	> 1 to < 5 years	> 5 years	
Financial assets				
Cash and cash equivalents*	P17,092	P–	P–	P17,092
Receivables	20,125	6,434	–	26,559
Due from related parties	202	–	–	202
Financial assets at FVTPL				
Investments in UITF	3,709	–	–	3,709
Financial assets at FVOCI				
Equity securities				
Quoted	–	–	12,499	12,499
Unquoted	–	–	241	241
Total undiscounted financial assets	P41,128	P6,434	P12,740	P60,302
Other financial liabilities				
Accounts and other payables	P25,858	P1,140	P–	P26,998
Dividends payable	589	–	–	589
Loans payable	37,908	52,688	72,000	162,596
Bonds payable	5,692	11,046	–	16,738
Due to related parties	515	–	–	515
Liabilities on purchased properties	598	1,169	3,718	5,485
Derivative liabilities	–	51	–	51
Total undiscounted financial liabilities	P71,160	P66,094	P75,718	P212,972
Liquidity Gap	(P30,032)	(P59,660)	(P62,978)	(P152,670)

*Excludes cash on hand amounting to P23.46 million.

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. The Group's foreign currency-denominated financial instruments primarily consist of cash and cash equivalents, accounts receivable, accounts payable and loans payable. The Group's policy is to maintain foreign currency exposure within acceptable limits.

Interest rate risk

The Group's interest rate exposure management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and maintaining a debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function of historical, current trend and outlook of interest rates, volatility of short-term interest rates, the steepness of the yield curve and degree of variability of cash flows.

13. Fair Value Measurement

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents and short-term cash investments

The fair value of cash and cash equivalents approximate the carrying amounts at initial recognition due to the short-term maturities of these instruments.

Receivables

The fair value of receivables due within one year approximates its carrying amounts. The fair values of installment contracts receivable are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged from 8.00% to 12.00% as of September 30, 2021 and December 31, 2020. For the long-term loan receivable, the Group used discounted cash flow analyses to measure the fair value of the loan and determined that the carrying amount of the loans receivable was not materially different from its calculated fair value.

Due from and to related parties

The carrying amounts approximate fair values due to its short term nature. Related party receivables and payables are due and demandable.

Financial assets at FVTPL

These pertain to the Group's investment in UITFs. UITFs are ready-made investments that allow pooling of funds from different investors with similar investments objectives. These UITFs are managed by professional fund managers and may be invested in various financial instruments such as money market securities, bonds and equities, which are normally available to large investors only. A UITF uses the mark-to-market method in valuing the fund's securities.

Financial assets at FVOCI – unquoted

The fair value of unquoted equity securities is estimated based on the market data approach that makes use of market multiples derived from a set of comparables. Multiples were determined that is most relevant to assessing the value of unquoted securities (e.g., earnings, book value). The selection of the appropriate multiple within the range is based on qualitative and quantitative factors specific to the measurement.

Financial assets at FVOCI – quoted

The fair value of quoted equity securities is based on the quoted market prices or binding dealer price quotations, without any deduction for transaction cost.

Accounts and other payables

The fair values of accounts and other payables approximate the carrying amounts due to the short-term nature of these transactions.

Loans payable

Current portion of loans payable approximates its fair value due to its short-term maturity. Long-term portion of loans payable subjected to quarterly repricing is not discounted. Estimated fair value of long-term loans payable with fixed interest rates are discounted based on interest rates ranging from 0.45% to 6.22% and 0.09% to 7.35% as of September 30, 2021 and December 31, 2020, respectively.

Derivative asset/Derivative liability

The fair value of the interest rate swap is derived using acceptable valuation methods. The valuation assumptions are based on market conditions existing at the financial reporting date.

Bonds payable

The fair value of the bonds payable is based on its quoted market price in the Philippine Dealing and Exchange Corporation.

Liabilities on purchased properties

Estimated fair value was based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date. Long-term payable was incurred in 2019, 2017 and 2012 with interest rates ranging from 3.00% to 3.25% per annum.

The following tables summarize the carrying amount and fair values of financial assets and liabilities, as well as nonfinancial assets, analyzed based on the fair value hierarchy (see accounting policy on Fair Value Measurement), except for assets and liabilities where the carrying values as reflected in the interim condensed consolidated statements of financial position and related notes approximate their respective fair values.

	September 30, 2021 (Unaudited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	P9,499	P–	P9,499	P–	P9,499
Financial assets at FVOCI					
Quoted equity securities	15,591	15,591	–	–	15,591
	P25,090	P15,591	P9,499	P–	P25,090
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	P323	P–	P–	P327	P327
Loans receivables	8,232	–	–	8,232	8,232
Non-financial Assets					
Investment in listed associates	162,448	90,842	–	–	90,842
Investment properties	16,123	–	–	37,770	37,770
	P187,126	P90,842	P–	P46,329	P137,171
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liability	P35	P–	P35	P–	P35
	P35	P–	P35	P–	P35
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Lease Liabilities	P49	P–	P–	P49	P49
Liabilities on purchased properties	2,701	–	–	4,451	4,451
Loans payable	129,284	–	–	138,361	138,361
Bonds payable	10,074	15,490	–	–	15,490
	P142,108	P15,490	P–	P142,861	P158,351

	December 31, 2020 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	P3,709	P–	P3,709	P–	P3,709
Financial assets at FVOCI					
Quoted equity securities	12,499	12,499	–	–	12,499
Other noncurrent assets					
Derivative asset	–	–	–	–	–
	P16,208	P12,499	P3,709	P–	P16,208
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	P347	P–	P–	P351	P351
Loans receivables	7,219	–	–	7,876	7,876
Non-financial Assets					
Investment in listed associates	163,730	102,915	–	–	102,915
Investment properties	16,253	–	–	34,837	34,837
	P187,549	P102,915	P–	P43,064	P145,979
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liability	P51	P–	P51	P–	P51
	P51	P–	P51	P–	P51
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	P3,255	P–	P–	P5,581	5,581
Lease liabilities	24	–	–	24	24
Loans payable	128,448	–	–	136,116	136,116
Bonds payable	15,060	15,465	–	–	15,465
	P146,787	P15,465	P–	P141,721	P157,186

As of September 30, 2021 and December 31, 2020, no transfers were made among the three levels in the fair value hierarchy.

Inputs used in estimating fair values of financial instruments carried at cost and categorized under Level 3 include risk-free rates and applicable risk premium.

The fair value of the Group's investment properties has been determined based on valuations performed by third party valuers. The value of the land was estimated by using the Market Data Approach, a valuation approach that considers the sales, listings and other related market data within the vicinity of the subject properties and establishes a value estimate by processes involving comparison.

The table below summarizes the valuation techniques used and the significant unobservable inputs valuation for each type of investment properties held by the Group:

	Valuation Techniques	Significant Unobservable Inputs
Land	Market Data Approach	Price per square meter, size, location, shape, time element and corner influence
Building and Land Improvements	Cost Approach and Market Data Approach	Lineal and square meter, current cost of materials, labor and equipment, contractor's profits, overhead, taxes and fees

Description of the valuation techniques and significant unobservable inputs used in the valuation of the Group's investment properties are as follows:

Valuation Techniques

Market Data Approach	A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.
Cost Approach	A process of determining the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation on physical wear and tear, and obsolescence.

Significant Unobservable Inputs

Reproduction Cost New	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a Main Road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a Main Road are superior to properties located along a secondary road.
Time Element	"An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time". In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

14. Contingent Liabilities

In the ordinary course of the Group's operations, certain companies within the Group have pending tax assessments/claims which are in various stages of protest/appeal with the tax authorities, the amounts of which cannot be reasonably estimated. Management believes that the bases of said protest/appeal are legally valid such that the ultimate resolution of these assessments/claims would not have material effects on the Group's interim condensed consolidated financial position and results of operations.

In addition, in order to partially guarantee the completion of Federal Land's ongoing projects, the Parent Company issued Letters of Guarantee (LG) in favor of Housing and Land Use Regulatory Board for a total guarantee amount of ₱2.99 billion and ₱3.45 billion as of September 30, 2021 and December 31, 2020, respectively.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS****AS OF AND FOR THE PERIODS ENDED SEPTEMBER 30, 2021 AND SEPTEMBER 30, 2020****(UNAUDITED)**

(Amounts in millions except ratio and %)	2021	2020
Liquidity Ratio		
Current ratio	2.32	1.77
Current assets	₱132,185	₱122,466
Current liabilities	56,988	69,004
Solvency Ratio		
Total liabilities to total equity ratio	0.94	0.96
Total liabilities	189,533	180,463
Total equity	202,034	187,392
Debt to equity ratio	0.70	0.73
Total debt	142,059	136,266
Total equity	202,034	187,392
Asset to Equity Ratio		
Asset to equity ratio	1.94	1.96
Total assets	391,567	367,855
Total Equity	202,034	187,392
Interest Rate Coverage Ratio*		
Interest rate coverage ratio	3.43	1.83
Earnings before interest and taxes (EBIT)	15,757	8,911
Interest expense	4,598	4,866
Profitability Ratio		
Return on average assets	2.23%	0.89%
Net income attributable to Parent Company	8,667	3,231
Total assets	391,567	367,855
Average assets	388,274	362,755
Return on Average Equity**	4.67%	1.67%
Net income attributable to Parent Company (Common)	8,224	2,789
Equity attributable to Parent Company (Common)	180,742	167,387
Average equity attributable to Parent Company	176,286	166,693

*computed as EBIT/Interest Expense

**based on actual year-to-date